

ANNUAL FINANCIAL REPORT OF THE  
TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Opelousas, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Twenty-Seventh Judicial District Indigent Defender Fund's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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To the Indigent Public Defender  
Twenty-Seventh Judicial District  
Indigent Defender Fund  
Opelousas, Louisiana  
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### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Twenty-Seventh Judicial District Indigent Defender Fund, as of June 30, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 20 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Indigent Public Defender  
Twenty-Seventh Judicial District  
Indigent Defender Fund  
Opelousas, Louisiana  
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#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2017, on our consideration of Twenty-Seventh Judicial District Indigent Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Twenty-Seventh Judicial District Indigent Defender Fund's internal control over financial reporting and compliance.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 7, 2017 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*John S. Dowley & Co.*

Opelousas, Louisiana  
December 7, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>GENERAL</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 197,810
Cash restricted for various grants	83,235
Revenue receivable – court costs	38,117
Capital assets (net)	<u>3,390</u>
<u>Total assets</u>	<u>322,552</u>
<u>LIABILITIES</u>	
Accounts payable	2,606
Other accrued liabilities	<u>593</u>
<u>Total liabilities</u>	<u>3,199</u>
<u>NET POSITION</u>	
Net investment in capital assets	3,390
Restricted for various grants	83,235
Unrestricted	<u>232,728</u>
<u>Total net position</u>	<u>319,353</u>

The accompanying notes are an integral part of this statement

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

<u>ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUE CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
<u>Governmental Activities</u>				
General government	<u>\$ 1,001,091</u>	<u>\$ 690,577</u>	<u>\$ 393,901</u>	<u>\$ 83,387</u>
<u>Total governmental activities</u>	<u>1,001,091</u>	<u>690,577</u>	<u>393,901</u>	<u>83,387</u>
General Revenues				
Interest and investment earnings				<u>1,488</u>
<u>Total general revenues</u>				<u>1,488</u>
<u>Change in net position</u>				84,875
Net position – July 1, 2016				<u>234,478</u>
Net position – June 30, 2017				<u>319,353</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2017

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 197,810
Cash restricted for various grants	83,235
Revenue receivable - court costs	38,117
<u>Total assets</u>	319,162
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 2,606
Other accrued liabilities	593
<u>Total liabilities</u>	3,199
 <u>FUND BALANCE</u>	
Fund balance	
Restricted	83,235
Unassigned	232,728
<u>Total fund balance</u>	315,963
<u>Total liabilities and fund balance</u>	319,162

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017

Total fund balance for the governmental fund at June 30, 2017		\$ 315,963
Cost of capital assets at June 30, 2017	\$ 10,743	
Less: Accumulated depreciation as of June 30, 2017	<u>(7,353)</u>	<u>3,390</u>
Net position at June 30, 2017		<u><u>319,353</u></u>

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES

Fines	
Court Cost	
Judicial district courts	\$ 466,799
City courts	87,407
Condition of probation	7,529
Criminal bond fee	62,917
Indigent defense application fee	65,925
Child in need of care	1,434
District assistance fund	392,467
Interest	1,488
<u>Total revenues</u>	<u>1,085,966</u>

EXPENDITURES

General government - judicial	
Current	
Retained indigent defenders	834,047
Salaries	115,611
Payroll taxes	9,560
Witness fees	2,700
Legal notices	52
Accounting	8,545
Telephone	11,607
Office supplies	2,997
Bank charges, check printing	4,329
Law library, journals and subscriptions	10,198
Other	598
<u>Total expenditures</u>	<u>1,000,244</u>

EXCESS OF REVENUES OVER EXPENDITURES 85,722

FUND BALANCE, beginning of year 230,241

FUND BALANCE, end of year 315,963

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN THE FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Total net change in the fund balance for the year ended June 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 85,722
Depreciation expense	<u>\$ (847)</u>	<u>(847)</u>
<u>Total change in net position for the year ended June 30, 2017 per Statement of Activities</u>		<u>84,875</u>

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Twenty-Seventh Judicial District Indigent Defender Fund was established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level.

The accompanying financial statements of the Twenty-Seventh Judicial District Indigent Defender Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices of the Twenty-Seventh Judicial District Indigent Defender Fund.

A. FINANCIAL REPORTING ENTITY

For financial reporting purposes, the Twenty-Seventh Judicial District Indigent Defender Fund is a part of the district court system of the State of Louisiana. However, the state statutes that create the district boards also give each of the boards control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Twenty-Seventh Judicial District Indigent Defender Fund is financially independent and operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the Board reports as an independent reporting entity and the financial statements include only the transactions of the Twenty-Seventh Judicial District Indigent Defender Fund.

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the Twenty-Seventh Judicial District Indigent Defender Fund. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements. The Twenty-Seventh Judicial District Indigent Defender Fund uses funds to report on its financial position and the results of its operations. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

Governmental Fund

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. REVENUES, EXPENDITURES, AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.

Court costs, restitution, and bail bond fees are recorded in the month collected by the appropriate collection authority.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for the governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law the Twenty-Seventh Judicial District Indigent Defender Fund may deposit funds with any bank located within the state and organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Twenty-Seventh Judicial District Indigent Defender Fund may invest in time deposits or certificates of deposit of those banks.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Twenty-Seventh Judicial District Indigent Defender Fund's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Twenty-Seventh Judicial District Indigent Defender Fund or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the carrying amount of the Twenty-Seventh Judicial District Indigent Defender Fund's cash was \$281,045. The bank balance of cash was \$281,045 for the year ended June 30, 2017. At June 30, 2017, these deposits were secured from risk by \$250,000 of FDIC insurance and \$31,045 was covered by securities held by pledging financial institutions in the Twenty-Seventh Judicial District Indigent Defender Fund's name. The Twenty-Seventh Judicial District Indigent Defender Fund does not have a policy for custodial credit risk.

F. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balance for the governmental activities includes court costs.

In the fund financial statements, material receivables in governmental funds include revenue accruals for court costs since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

G. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the General Fund, are recorded at cost and depreciation is computed under the straight-line method. The service lives by type of asset are as follows:

Equipment	7-10 years
Furniture	7-10 years

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. BUDGETS AND BUDGETARY ACCOUNTING

As required by state law, the Twenty-Seventh Judicial District Indigent Defender Fund adopted a budget for its General Fund. The budgetary practices included public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption.

Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Twenty-Seventh Judicial District Indigent Defender Fund. All budget amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget was adopted and amended on a basis consistent with generally accepted accounting principles (GAAP).

I. PENSION PLAN AND LEAVE POLICIES

The Twenty-Seventh Judicial District Indigent Defender Fund has no pension plan or leave policies.

J. ENCUMBRANCES

The Twenty-Seventh Judicial District Indigent Defender Fund does not employ the encumbrance system of accounting.

K. COMPENSATED ABSENCES

The Twenty-Seventh Judicial District Indigent Defender Fund does not provide for accumulated vacation or sick leave.

L. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. EQUITY CLASSIFICATIONS (Continued)

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances. Those committed amounts cannot be used for any other purpose unless the governing authority removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the Twenty-Seventh Judicial District Indigent Defender Fund's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Twenty-Seventh Judicial District Indigent Defender Fund's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

M. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 2 – CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended June 30, 2017, for the Twenty-Seventh Judicial District Indigent Defender Fund are as follows:

	Balances July 1, 2016	Additions	Disposals	Balances June 30, 2017
Governmental activities				
Equipment	\$ 9,870	\$ -	\$ -	\$ 9,870
Furniture and fixtures	873	-	-	873
<u>Totals at historical cost</u>	<u>10,743</u>	<u>-</u>	<u>-</u>	<u>10,743</u>
Less accumulated depreciation				
Equipment	(5,652)	(826)	-	(6,478)
Furniture and fixtures	(854)	(21)	-	(875)
<u>Total accumulated depreciation</u>	<u>(6,506)</u>	<u>(847)</u>	<u>-</u>	<u>(7,353)</u>
Governmental Activities				
Capital assets, net	<u>4,237</u>	<u>(847)</u>	<u>-</u>	<u>3,390</u>

Depreciation expense was charged to governmental activities as follows:

General Government      \$847

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 3 - GOVERNMENTAL FUND REVENUES/EXPENDITURES

For the year ended June 30 2017, the major sources of governmental fund revenues and expenditures were as follows:

	2017
Revenues:	
<b>State Government</b>	
Appropriations - general	\$ 393,901
<u>Total</u>	393,901
<b>Local Government</b>	
Statutory fines, forfeitures, fees, court cost, and other	690,577
<u>Total</u>	690,577
<b>Investment Earnings</b>	1,488
<u>Total revenues</u>	1,085,966
Expenditures:	
<b>Personnel Services Benefits</b>	
Salaries	\$ 115,611
Payroll taxes	9,560
<u>Total</u>	125,171
<b>Operating Cost</b>	
Library and research	10,198
Contract services - retained attorney/legal	834,047
Contracted services - other	2,700
Legal notices	52
Accounting	8,545
Supplies	7,924
Utilities and telephone	11,607
<u>Total</u>	875,073
<b>Debt Service</b>	-
<b>Capital outlay</b>	-
<u>Total expenditures</u>	1,000,244

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The Twenty-Seventh Judicial District Indigent Defender Fund does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

**NOTE 5- FUND BALANCE CONSTRAINTS**

The constraints on fund balance as listed in the aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to the balance classification and fund.

Fund Balance:

Nonspendable	\$ -
Restricted	
For various grants	83,235
Committed	-
Assigned	-
Unassigned	<u>232,728</u>
<u>Total fund balance</u>	<u><u>315,963</u></u>

**NOTE 6 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 7, 2017, which is the date the financial statements were available to be issued. As of December 7, 2017, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - REVENUES AND EXPENDITURES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>AMENDED</u>		
<u>REVENUES</u>				
Court Cost				
Judicial district courts	\$ 400,000	\$ 492,999	\$ 466,799	\$ (26,200)
City courts	122,000	92,702	87,407	(5,295)
Condition of probation	9,000	7,872	7,529	(343)
Criminal bond fees	65,000	65,985	62,917	(3,068)
Indigent defense application fee	60,000	65,845	65,925	80
Child in need of care	1,434	1,434	1,434	-
District assistance fund	401,044	392,467	392,467	-
Interest	250	1,424	1,488	64
<u>Total revenues</u>	<u>1,058,728</u>	<u>1,120,728</u>	<u>1,085,966</u>	<u>(34,762)</u>
<u>EXPENDITURES</u>				
General government - judicial				
Current				
Retained, indigent defenders	869,617	833,392	834,047	(655)
Dues and seminars - library	2,775	-	-	-
Salaries	110,000	114,748	115,611	(863)
Payroll taxes	9,720	9,557	9,560	(3)
Witness fees	7,000	2,945	2,700	245
Contracted services	-	-	-	-
Legal notices	-	-	52	(52)
Insurance	500	-	-	-
Investigators	1,500	-	-	-
Accounting	8,000	9,398	8,545	853
Telephone	13,000	10,642	11,607	(965)
Office supplies	3,000	2,996	2,997	(1)
Capital Outlay	-	-	-	-
Bank charges	-	4,536	4,329	207
Law library, journals and subscriptions	11,000	11,913	10,198	1,715
Other	1,300	711	598	113
<u>Total expenditures</u>	<u>1,037,412</u>	<u>1,000,838</u>	<u>1,000,244</u>	<u>594</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>21,316</u>	<u>119,890</u>	<u>85,722</u>	<u>(34,168)</u>
<u>FUND BALANCE, beginning of year</u>			<u>230,241</u>	
<u>FUND BALANCE, end of year</u>			<u>315,963</u>	

See Independent Auditor's Report

OTHER SUPPLEMENTARY INFORMATION

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2017

Agency Head Name: ED LOPEZ, DIRECTOR

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,124
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

See Independent Auditor's Report.

RELATED REPORTS

James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
 BASED ON AN AUDIT OF FINANCIAL  
 STATEMENTS PERFORMED IN ACCORDANCE  
 WITH GOVERNMENT AUDITING STANDARDS**

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Twenty-Seventh Judicial District Indigent Defender Fund, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Twenty-Seventh Judicial District Indigent Defender Fund's basic financial statements, and have issued our report thereon dated December 22, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Twenty-Seventh Judicial District Indigent Defender Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Seventh Judicial District Indigent Defender Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Seventh Judicial District Indigent Defender Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency listed as item 2017-1.

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To the Indigent Public Defender  
Twenty-Seventh Judicial District  
Indigent Defender Fund  
Opelousas, Louisiana

### **Compliance and Other Matters**

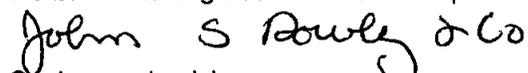
As part of obtaining reasonable assurance about whether the Twenty-Seventh Judicial District Indigent Defender Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Twenty-Seventh Judicial District Indigent Defender Fund's Response to Findings**

The Twenty-Seventh Judicial District Indigent Defender Fund's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Twenty-Seventh Judicial District Indigent Defender Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

  
Opelousas, Louisiana  
December 7, 2017

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. We have audited the basic financial statements of the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2017, and have issued our report thereon dated December 7, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Uniform Guidance. Our audit of the financial statements as of June 30, 2017 resulted in an unmodified opinion.
2. One significant deficiency and no material weaknesses relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. No management letter was issued for the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2017.
5. There was no single audit required under 2CFR 200.516(a) Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Internal Control Material to the Financial Statements

2017-1 Inadequate Segregation of Duties within the Accounting System

Condition: Due to the small number of employees, the Twenty-Seventh Judicial District Indigent Defender Fund did not have adequate segregation of functions within the accounting system.

Criteria: Proper internal controls dictate that the duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Cause: There are a small number of employees at the Twenty-Seventh Judicial District Indigent Defender Fund performing the daily operating activities.

Effect: Without adequate segregation of duties and oversight, errors or fraud could occur and not be detected, increasing the loss or theft of assets.

Recommendation: The Twenty-Seventh Judicial District Indigent Defender Fund should ensure that no single individual controls all facets of the accounting system and that adequate supervision is implemented. Separating incompatible duties and performing supervisory review is significant in reducing risk.

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

**Internal Control Material to the Financial Statements** (Continued)

2017-1 Inadequate Segregation of Duties within the Accounting System (Continued)

Response: Segregation of duties within the accounting system is not economically feasible in an office as small as ours. We have three clerical employees, two of which are assigned data processing task. Only one employee handles the money, and is closely supervised by the District Defender personally. Monies received from the State are deposited directly into the operating account. Monies received from the Courts are received through the mail which is usually opened by the District Defender and reviewed before being given to Office Manager/Bookkeeper for deposit. All monies paid out are done so by check. Only the District Defender can sign on the account. All deposits and expenditures are promptly reported to our independent CPA. Our office provides the summary of our monthly financial report to the State by the 15<sup>th</sup>. No cash is ever kept. Processing fees (\$40.00 per case) are paid by money order and are deposited into our operating account weekly. We are audited annually.

Contact person: Ed Lopez

TWENTY-SEVENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2016-1 Inadequate Segregation of Duties within the Accounting System

Repeat comment.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



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INDEPENDENT ACCOUNTANT'S REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Opelousas, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Twenty-Seventh Judicial District Indigent Defender Fund and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

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To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Page 2

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Finding:** There are no written policies and procedures addressing budgeting, purchasing, disbursements, receipts, payroll/personnel, contracts, ethics and debt service. The Louisiana State Employees Guide to Travel Regulations is used for travel and expense reimbursements.

#### **Board (or Finance Committee, if applicable)**

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Finding:** The Indigent Public Defender does not have a board or finance committee.

#### **Bank Reconciliations**

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Page 3

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Finding:** The Indigent Public Defender has only one bank account and the reconciliation is prepared on a monthly basis. Ed Lopez, District Defender for the 27th Judicial District, reviewed each bank statement and reconciliation but he has involvement in transactions associated with the bank account. There were no reconciliation items on the reconciliation at the end of the fiscal year.

### **Collections**

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Page 4

**Finding:** The Indigent Public Defender only receives checks and money orders. Two employees handle all aspects of the accounting process and both are bonded. There is a lack of segregation of duties concerning collecting and depositing. The bookkeeper codes all transactions which are then recorded and reconciled by the independent CPA firm. The Indigent Public Defender does not have a formal/written process to reconcile collections to the general ledger.

The highest (dollar) week of collections was selected and traced to the deposit slip, bank statement and supporting documentation without exception. The Indigent Public Defender does not have a formal/written process to determine completeness of all collections.

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
 Indigent Defender Fund  
 Page 5

**Finding:** The general ledger was used to obtain a listing of disbursements, which management represented was a complete listing of disbursements. Twenty-five disbursement transactions were randomly selected, traced to supporting documentation and check stub. The Indigent Public Defender does not use a purchase order system to initiate purchases. Ed Lopez, District Defender for the 27th Judicial District, approves all purchases before payments are submitted. There is no written procedure for adding vendors to the disbursement system. The person who approves all purchases is also the only one with signature authority. Ed Lopez, District Defender for the 27th Judicial District, is the only one with signature authority and does have the option to initiate a purchase. The supply of unused checks is kept in a locked filing cabinet but the person who has access to those checks also has signature authority. There is no signature stamp.

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.  
  
 Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
  - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
  - a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased)
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
  - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

To the Indigent Public Defender  
 Twenty-Seventh Judicial District  
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- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Finding:** The Indigent Public Defender does not have any type of credit, debit, fuel or p-cards.

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Finding:** There were no travel or expense reimbursements during the fiscal year.

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### **Contracts**

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
  - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - > If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - > If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Finding:** The Indigent Public Defender did not enter into any contracts during the fiscal year.

### **Payroll and Personnel**

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

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- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Finding:** The Indigent Public Defender has 5 employees; 2 are salaried and 3 are part-time. There are no formal employee contracts. A pay rate structure is used for part-time employees. All compensation paid to each employee during the fiscal year was made in accordance with the employee's salary or pay rate structure. No changes were made to salaries during the fiscal year. Attendance records are kept only for part-time employees and are approved by the office manager. No leave records are maintained because vacation and sick is not accumulated. No employees were terminated during the fiscal year. The Indigent Public Defender does not make retirement contributions. The employee and employer portion of payroll taxes (and the required reporting forms) were submitted correctly to the applicable agencies by the required deadlines.

#### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Finding:** None of the 5 employees selected attended ethics training. Inquired as to any alleged violations being reported to them and there were none.

#### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

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30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

**Finding:** The Indigent Defender Fund does not have any debt.

**Other**

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**Finding:** Inquired of management whether the Indigent Public Defender had any misappropriations of public funds or assets and there were none. The notice required by R.S. 24:523.1 is posted in the waiting room of the Indigent Public Defender's office. No exceptions were noted regarding management's representation to the above procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*John S. Rowley & Co.*

Opelousas, Louisiana  
December 7, 2017